

**Survey of
Cruiseship Passengers in Hawai'i
Fall, 2000**

Prepared for:

**North West CruiseShip Association,
in collaboration with
State of Hawai'i
Department of Business, Economic Development and Tourism**

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EXECUTIVE SUMMARY

The North West CruiseShip Association, in collaboration with State of Hawai'i Department of Business, Economic Development and Tourism, commissioned a study of cruise passengers to Hawai'i in October and November 2000. The study was intended to serve as a first measurement of cruise passenger characteristics, a benchmark for future study, and to provide hard data on the value of cruise passengers to Hawai'i's visitor industry. Findings show that cruise passengers have precisely the characteristics that fill visitor industry objectives. They are disproportionately non-U.S. West visitors, first-timers, and multi-island visitors. Their expenditures are lower on a per person per day basis than passengers who arrived by air, due to lower spending for hotel rooms and food. Expenditures for shopping and entertainment are about equal to those of other visitors.

- ❖ Over half (62.4%) of cruise passengers were visitors from the U.S. East region (states East of the Rockies). Residents of U.S. West made up 22.4 percent of cruise visitors. Canadians and other international visitors were 6.8 percent and 7.7 percent, respectively.
- ❖ More than half of cruise passengers (56.2%) were first time visitors to the islands. As many as 64 percent of U.S. East passengers were first-timers.
- ❖ Cruise passengers were, of course, much more likely to visit more than one island and many of them visit all four of Hawai'i's counties.
- ❖ Cruise visitors have a profile very different from visitors who arrive by air. They are generally older (mean age 58.7), travel as couples, stay in Hawai'i about a day longer, and are nearly all traveling for vacations only.
- ❖ Cruise visitors stay almost ten days in the islands (9.8 days), about a day longer than other visitors. Three-quarters of them (75.6%) stay in Hawai'i for an average of two extra nights previous to or following their cruise.
- ❖ The average cruise visitor spends a little over \$83 per person per day (PPPD) while in Hawai'i. Those who stay beyond their tour contracts spend more (\$92 per person per day) than those who do not (\$77 per person per day).
- ❖ A rough comparison with expenditures for passengers who arrived by air in 1999 shows that U.S. visitors who arrived by air spent more than October-November 2000 cruise visitors from the mainland. For the U.S. East region, cruise expenditures were about \$87 per person per day compared with 1999 air passenger expenditures at \$177 per person per day. For U.S. West, cruise expenditures were \$73 per person per day and air passenger expenditures were \$140 per person per day.
- ❖ The comparison also suggests some differences in expenditure patterns. Most of the difference between cruise and air passenger expenditures was accounted for by lower expenditures for lodging, food, and transportation. Expenditures for shopping, entertainment and recreation were similar for both groups.

INTRODUCTION

The North West CruiseShip Association (NWCA) represents nine cruise lines serving Southeast and Southcentral Alaska. NWCA is a not-for-profit association working on behalf of the nine member lines to build positive relationships with communities and government agencies and to develop strong partnerships with communities and business in Canada, Alaska, and the Pacific North West.

Responding to unprecedented increases in numbers of visitors to Hawai'i, NWCA is preparing for new challenges in the next decade. As part of that effort, The North West CruiseShip Association, in collaboration with State of Hawai'i Department of Business Economic Development and Tourism, commissioned the first study of the impact of cruise visitors to Hawai'i during the fourth quarter of 2000. This report summarizes the major findings of that study.

OBJECTIVES

The goal of the research was to provide some initial information on the numbers and types of visitors whose Hawai'i trips include a cruise experience. In particular the study was intended to:

- measure the number and characteristics of cruise ship passengers entering the State of Hawai'i during the survey period;
- gather first data on their expenditures while in Hawai'i; and
- develop other information on cruise visitors that might be helpful in marketing efforts among this target group and to plan for their increased satisfaction.

METHOD

SMS Research developed the research method in consultation with and under the review of The Hawai'i Department of Business, Economic Development & Tourism, Research and Economic Analysis Division (DBEDT-READ). The method was designed to provide data consistent with expenditure data developed by DBEDT-READ in the annual Visitor Expenditure Survey (VES) and the International Visitor Departure Surveys (VDS) that gather visitor data from passengers arriving by air.

The survey instrument and data analysis techniques for the cruise ship study were nearly identical to those used in the VES and VDS. The data collection and sampling techniques were developed specifically for cruise ship passengers. The sample frame included all cruise ships arriving in Hawai'i between October 9 and November 28, 2000. One survey form was distributed to each occupied cabin on targeted cruise ships with instructions to complete one form per travel party. Crewmembers collected the forms on the last evening or morning in Hawai'i. Completed forms were delivered to SMS Research where they were processed according to procedures identical to those used for airline passengers. Exactly 1,854 usable survey forms were collected during the course of the study. Further details on the research method are presented in the appendix to this report.

There were a total of nearly seven million visitors arriving in Hawai'i in the year 2000. Of those, 38,642 (0.6%) arrived in Hawai'i aboard international cruise ships. In October and November of that year, about 12,555 visitors in Hawai'i arrived on international cruise ships.

Table 1: Visitors Arrivals in Hawai'i, 2000

	Arrival Months		
	October- November	Other Months	Total Arrivals
Total visitor arrivals, 2000	1,105,209	5,909,299	7,014,508
International cruise arrivals	12,555	26,087	38,642
*Others (airline passengers)	1,092,654	5,883,212	6,975,866

* Source: DBEDT-READ website www.state.hi.us/dbedt/monthly

During the months of October and November, a total of 13 cruises either entered or left Hawaiian waters. The total capacity of those cruises was about 20,676 passengers – 10,338 berths coming in and 10,388 berths going out. Since cruise passengers sometimes enter Hawai'i aboard ship and leave Hawai'i by air, and because cruises leaving Hawai'i contain both passengers who sailed to Hawai'i and those who began their cruises in Hawai'i, it was necessary to include both in the sample for this study.

Of the 13 cruises in Hawaiian waters between October and November of 2000, eleven were cruises of NWCA affiliates. Of those eleven, nine were operating within the sample period. Those cruise ships have between 633 and 1,000 cabins. Of the nine cruises selected for the survey, three did not provide any data for passengers. The six remaining cruises became the sample for this study.

The six sampled cruises had an estimated 5,108 cabins that allowed for a maximum of 10,216 passengers in and out of Hawaiian waters. We estimate that slightly over 96 percent of those berths were full, accounting for a total of 9,862 cruise passengers. Our survey collected 1,854 completed survey forms representing 3,585 individual passengers. The completion rate can therefore be expressed as 36.3 percent of all cruise parties (cabins), or 36.4% of all cruise passengers on those ships.

REPRESENTATIVENESS

The data collected in this study represent cruise ship passengers in Hawai'i between October 9 and November 28, 2000. To the extent that cruise passengers arriving or departing Hawai'i in other months of the year differ from those arriving or departing during the study period, findings of this study may not be representative of total cruise passengers to Hawai'i in 2000. To the extent that cruises for which no data were submitted were different from our sample cruises, additional bias might be present. Finally, to the extent that survey respondents different from those who chose not to respond, results may not be fully representative of the target population.

There is no evidence to suggest that the passengers surveyed this year are not representative of the October-November cruise passengers in Hawai'i. Their responses were clear, their surveys largely complete, and there were no indications of internal inconsistency in their responses. To an experienced researcher the respondents appear to have been diligent and candid in completing the forms and the resulting data are an accurate representation of their characteristics and expenditures.

In this report data were presented for all respondents to the NWCA Passenger Survey conducted in October-November, 2000. Recall that the visitor party head filled out survey forms. Visitor characteristics were usually determined based on those of the party head. Travel party characteristics and expenditures were based on data for all persons in the party. Data were not weighted, expanded, or otherwise statistically adjusted. Results describe the visitors who arrived in Hawai'i during the survey period October-November 2000.

The survey design benefited greatly from the vast experience of North West CruiseShip Association in surveying its passengers and on the expertise of DBEDT-READ in surveying Hawai'i visitors. The year 2000 experience provided additional information on best practices for surveys of this type that will greatly enhance the value of future studies of cruise passengers to Hawai'i.

FINDINGS

This report presents findings of the NWCA Passenger Survey for October-November, 2000. Results describe visitors who arrived in Hawai'i during the survey period October and November 2000. Throughout the report, cruise visitors are compared with DBEDT-READ data on passengers arriving by air during the same period of 2000.

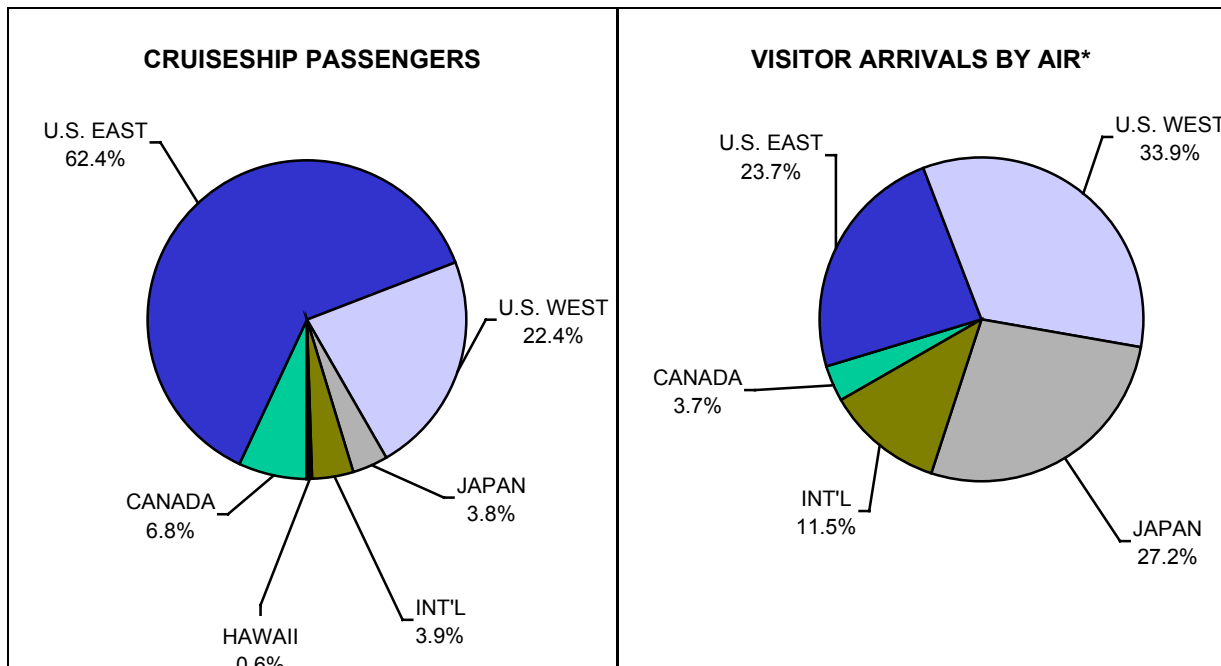
VISITOR PROFILES

In some important and significant ways, visitors who arrived by cruise ship were different from those arriving by air. The following sections of the report demonstrate that cruise passengers are a unique and important segment of the Hawai'i visitor population.

PLACE OF ORIGIN

Cruise passengers were more likely than airline passengers to have come to Hawai'i from the eastern United States. More than half (62.4%) of all cruise passengers were from the U.S. East Major Marketing Area (MMA), compared with 23.7 percent of airline passengers. The U.S. East MMA is a priority target for marketing in the Hawai'i Tourism Authority's (HTA) marketing plan. To the extent that cruise passengers during October-November are representative of the rest of the year; will be of particular interest to Hawai'i Visitor Industry planners.

Figure 1: Visitor Origin



May not sum due to rounding.

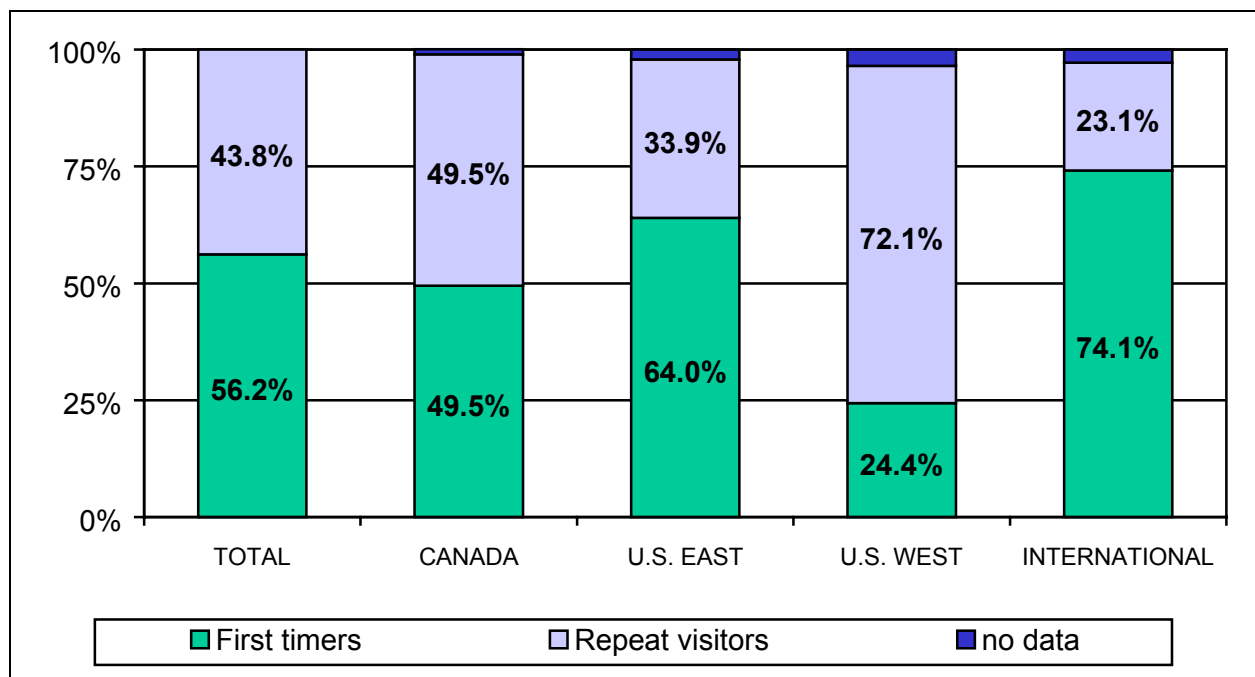
*Source: DBEDT-READ website: www.state.hi.us/dbedt

Cruise passengers were also more likely to include passengers from Canada. Because of the dominance of the U.S. East region as a place of origin, all other areas were under represented relative to the usual pattern of airline visitors to Hawai'i. Visitors from the U.S. West MMA made up about 22.4 percent of them, and 7.7 percent were from Japan and other nations of the world. There were also a small number of passengers (0.6%) who were residents of Hawai'i. These were surveyed as part of cruises departing the Islands. Their numbers have been excluded from data appearing from this point forward.

OLD FRIENDS, NEW FRIENDS

The majority of October-November cruise passengers (56.2%) were first-time visitors to Hawai'i. The pattern of first-time versus repeat visitors differed across points of origin. Among U.S. East and international visitors first-timers were dominant. Among those from Canada and the U.S. West market area, cruise passengers were more likely to be repeat visitors.

Figure 2: First Timers vs. Repeat – Cruise Visitors



Compared with airline passengers, cruise passengers in October and November were more likely to be visiting Hawai'i for the first time (56% of cruiseship passengers vs. 44% of airline passengers¹). Only among passengers from Canada were cruise passengers more likely to have been repeat visitors. First-time visitors were more prevalent among cruise passengers from the U.S. East region (64% of cruiseship passengers vs. 52% of airline passengers¹), international visitors (74% vs. 57%¹), and even among U.S. West visitors (24% vs. 23%¹).

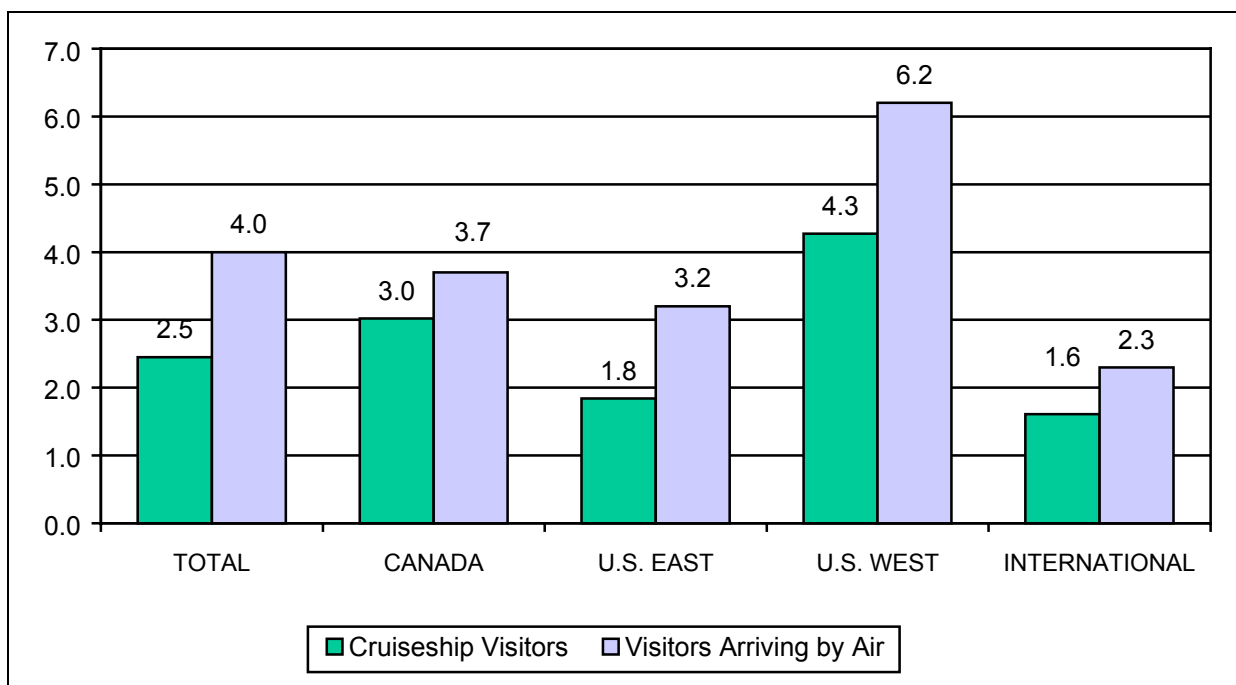
¹ DBEDT-READ Preliminary Monthly Data, 2000.

Hawai'i's visitor industry has an objective to increase the number of visitors coming to Hawai'i for the first time. Cruise passengers in October and November of 2000 were more likely than airline passengers during the same period to have been first time visitors to the State. Once again, the cruise industry appears to be enhancing the State's visitor industry marketing efforts.

NUMBER OF TRIPS TO HAWAI'I

Even among repeat visitors to Hawai'i, cruise passengers in October and November of 2000 had less experience in Hawai'i. Figure 3, shows that repeat cruise passengers had fewer prior trips to Hawai'i than repeat airline passengers. The pattern holds across all points of origin.

Figure 3: Average Number of Prior Trips to Hawai'i



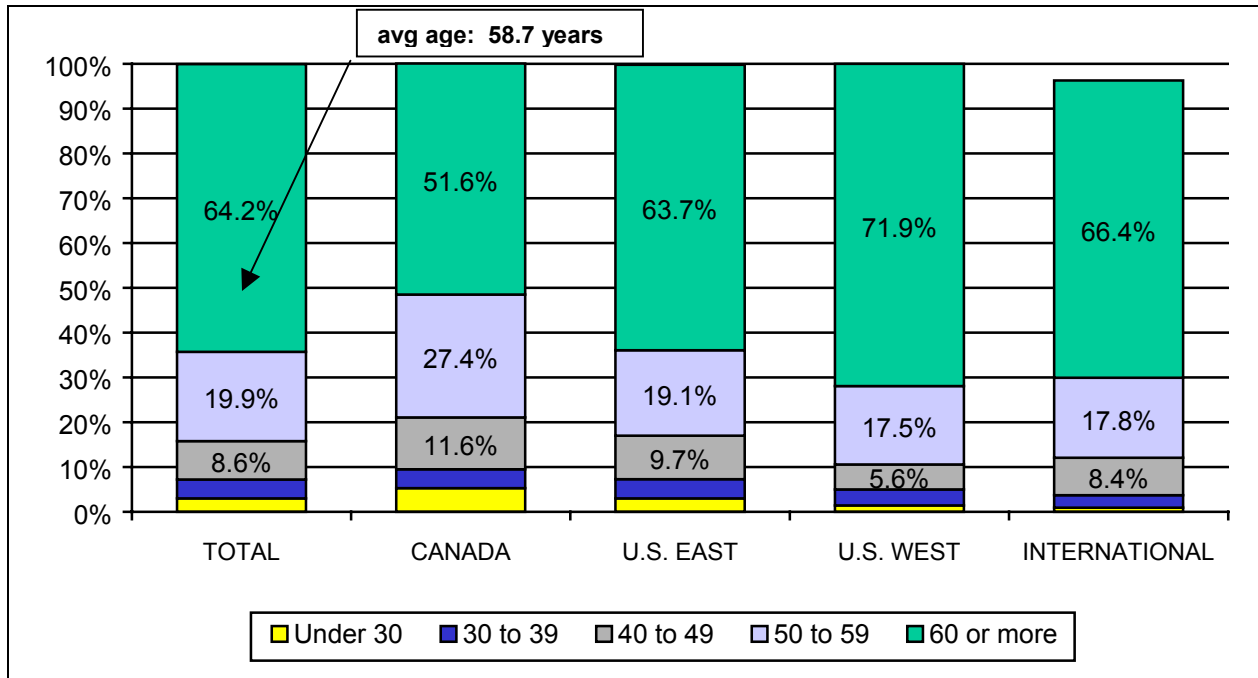
Source: DBEDT-READ Preliminary Monthly Tables

Compared with airline passengers, the cruise industry clearly attracted more visitors who had not been to Hawai'i before, and more who had been here fewer times. But cruises attract at least some people who are our "old friends". Overall, a little less than half of the cruise visitors had been to Hawai'i two or three times before their cruise. In October-November the average repeat cruise passenger from the West Coast and Mountain regions had been to Hawai'i more than four times previously.

CHARACTERISTICS

Compared with airline passengers, cruise visitors are older. Cruise passengers in October-November had a mean age of about 58.7 years², compared with the overall average visitor age of 42.4 years. The age distribution was very different for the two groups of visitor arrivals.

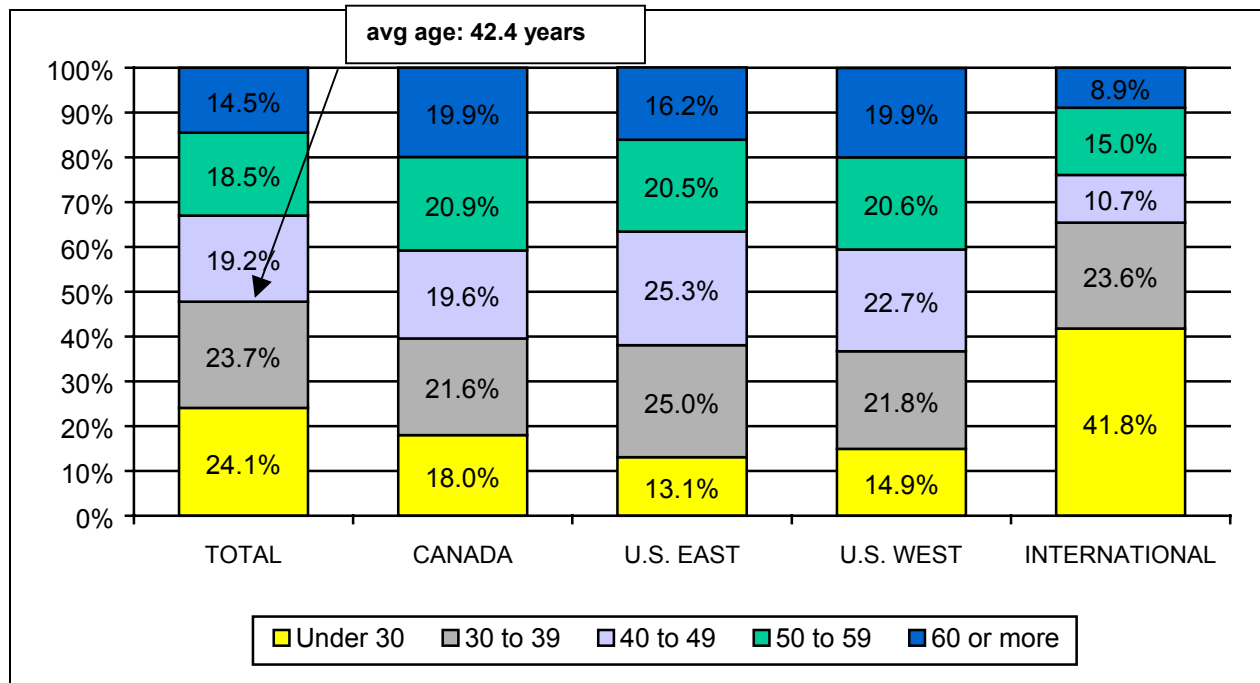
Figure 4: Age of Visitor - Cruise Visitors



Data represents age of party head. Average age calculated by SMS using mid-point estimates

² Data represents age of party head.

Figure 5: Age of Visitor - Total Visitors to Hawai'i



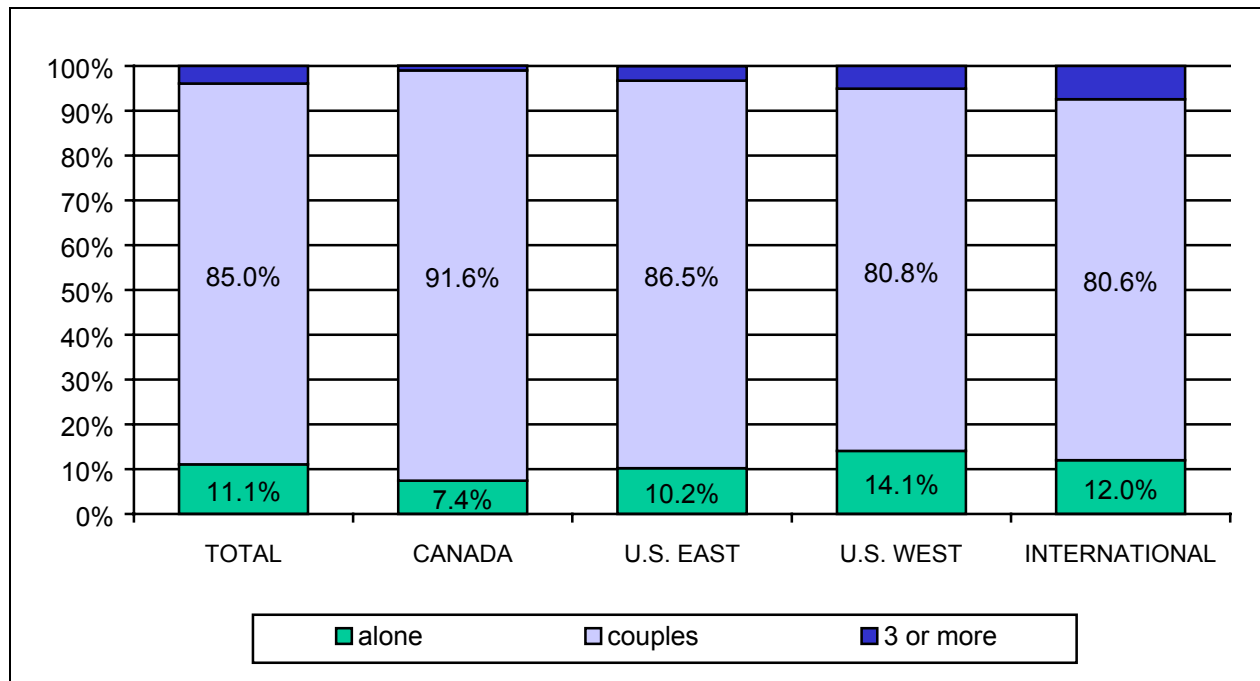
Data represents age of party head. Average age calculated by SMS using mid-point estimates
Source: DBEDT-READ Preliminary Monthly Tables, 2000.

In the October-November study period, about 64 percent of cruise passengers were over 60 years of age and 84 percent were over 50. The pattern holds across all visitor market segments. As seen in Figures 4 and 5, that pattern is very different from age distributions for other visitors to Hawai'i.

PARTY SIZE

As expected, travel parties on cruises tend to be couples (85.0%). The pattern was the same for all MMAs, with the Canadian cruise passengers reaching almost 92 percent two-person parties in October-November 2000.

Figure 6: Travel Party Size



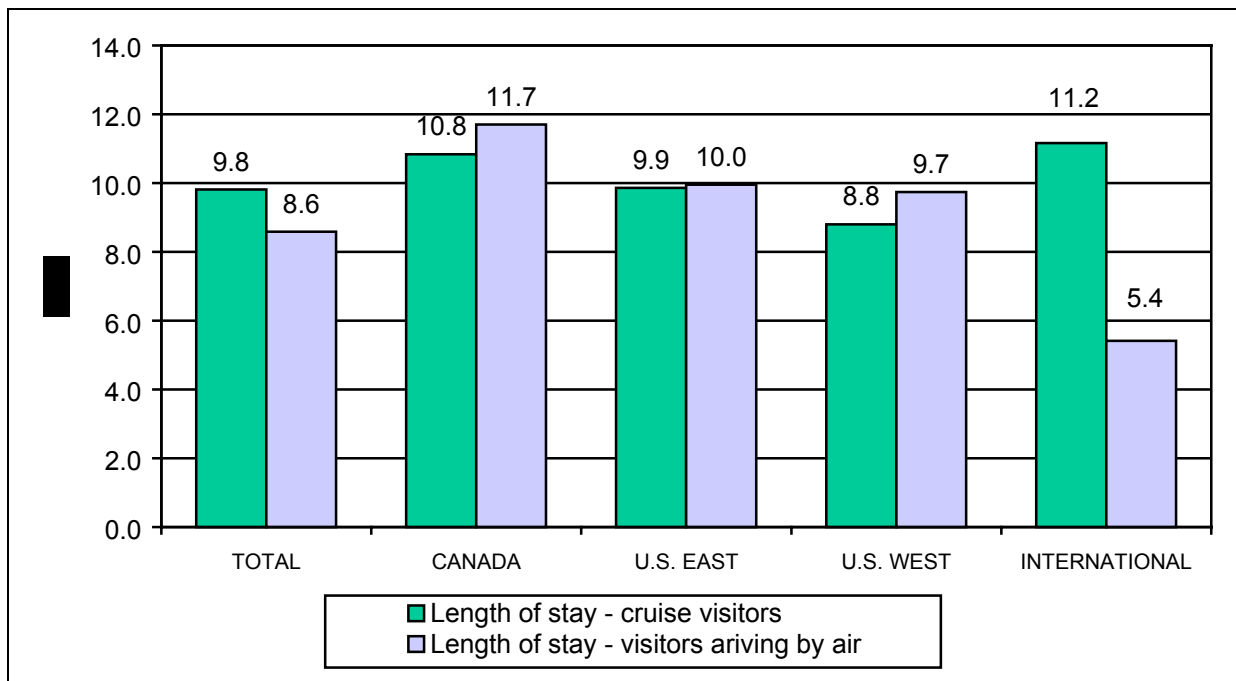
The visitor industry figures for other passengers arriving in October and November showed that about 53.4 percent of them had a party-size of two.

VISITOR TRAVEL BEHAVIORS

LENGTH OF STAY

A typical October-November cruise visitor stayed almost ten days in the islands (9.8 days) with relatively little difference across the four marketing areas. On average, Canadian and other International visitors stayed the longest (10.8 and 11.2 days). Visitors from the U.S. West stayed in Hawai'i an average of 8.8 days.

Figure 7: Length of Stay in the Islands



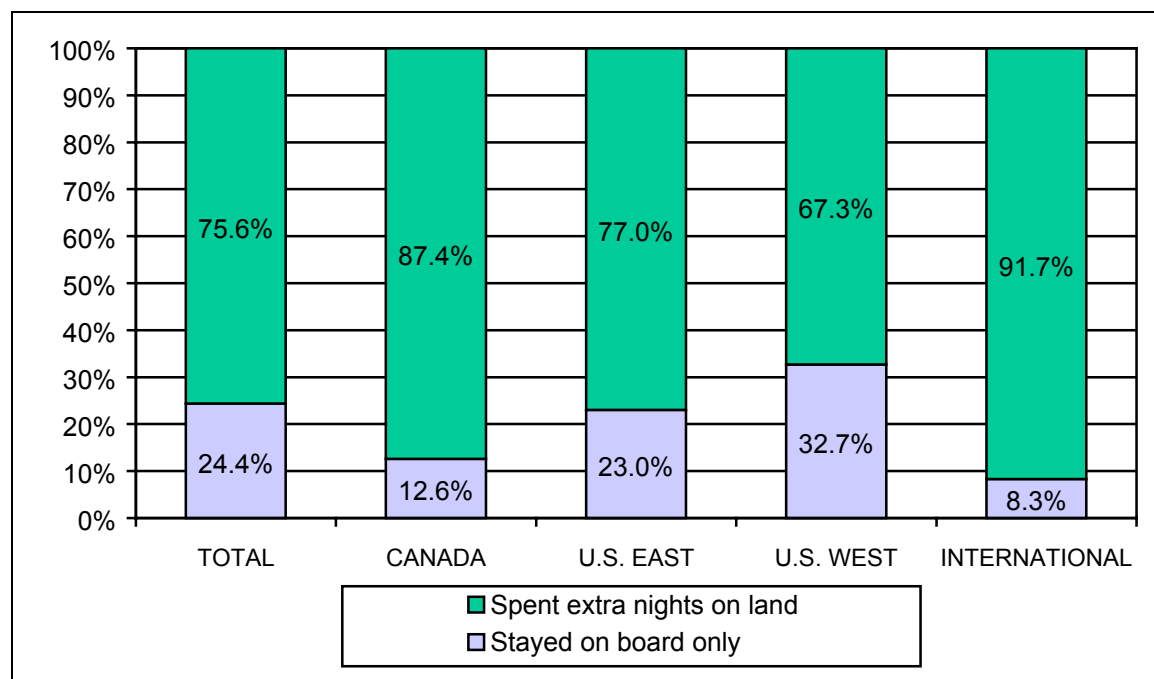
Note: Length of stay measured in days.

Source: DBEDT-READ website www.state.hi.us/dbedt/monthly/index.html

The average length of stay for the average cruise visitor was about one day longer than for other visitors, but the pattern was very different across the four MMAs. Visitors from the U.S. East had an average length of stay of about ten days, regardless of how they traveled to Hawai'i. Cruise passengers from Canada and U.S. West stayed about a day less than airline passengers from the same area. International cruise passengers had much greater lengths of stay than their non-cruise counterparts.

Among all of the October-November cruise visitors, about three-quarters spent part of their trip nights in hotels and other accommodations in Hawai'i. The extra nights were spent either before or after their shipboard nights and represented vacation time beyond their cruise contracts. International cruise passengers were the most likely (91.7%) to spend extra nights on land, followed by Canadian visitors (87.4%) and visitors from the U.S. East region (77.0%). Only 67.3 percent of U.S. West cruise passengers spent extra nights in Hawai'i accommodations.

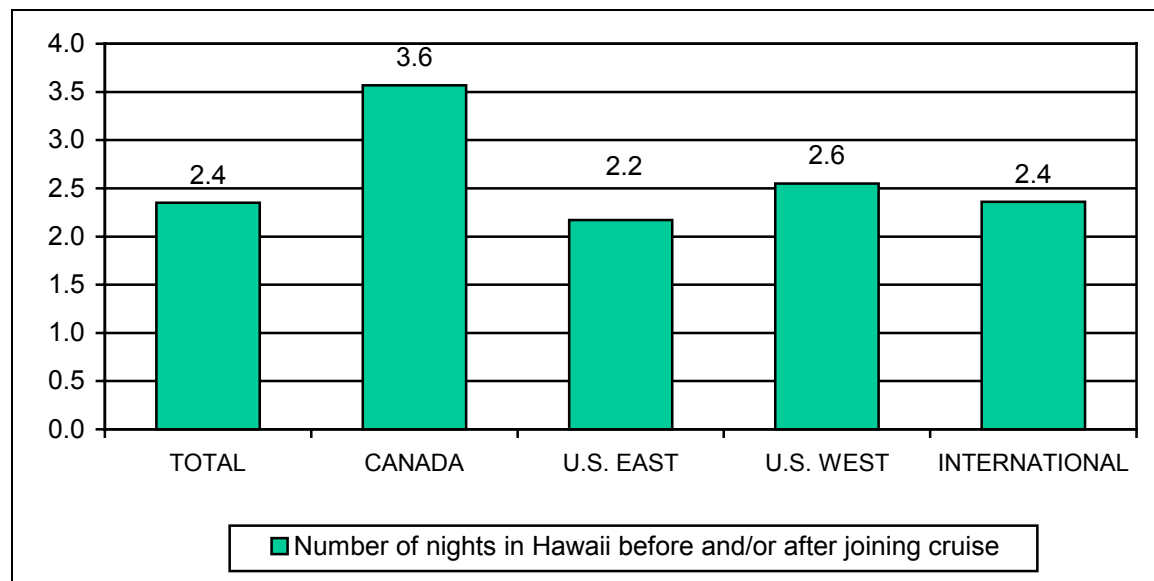
Figure 8: Cruise Passengers who Stay in Hawai'i - Accommodations



Note: Percent of total cruise passengers in the October-November study period who spent one or more nights in Hawai'i hotels or other accommodations before or after their shipboard stays.

Those cruise passengers who spent nights in Hawai'i hotels and accommodations spent an average of about two nights (2.4 nights) on land (see Figure 9). Canadian visitors who spent extra nights on land, spent an extra three nights on land and other international visitors spent about two extra nights. If cruise passengers from the U.S. spent anytime on land those passengers spent only about two nights.

Figure 9: Number of Nights in Hawai'i before and/or after Joining Cruise



Note: Length of stay measured in nights, usually number of days minus one.

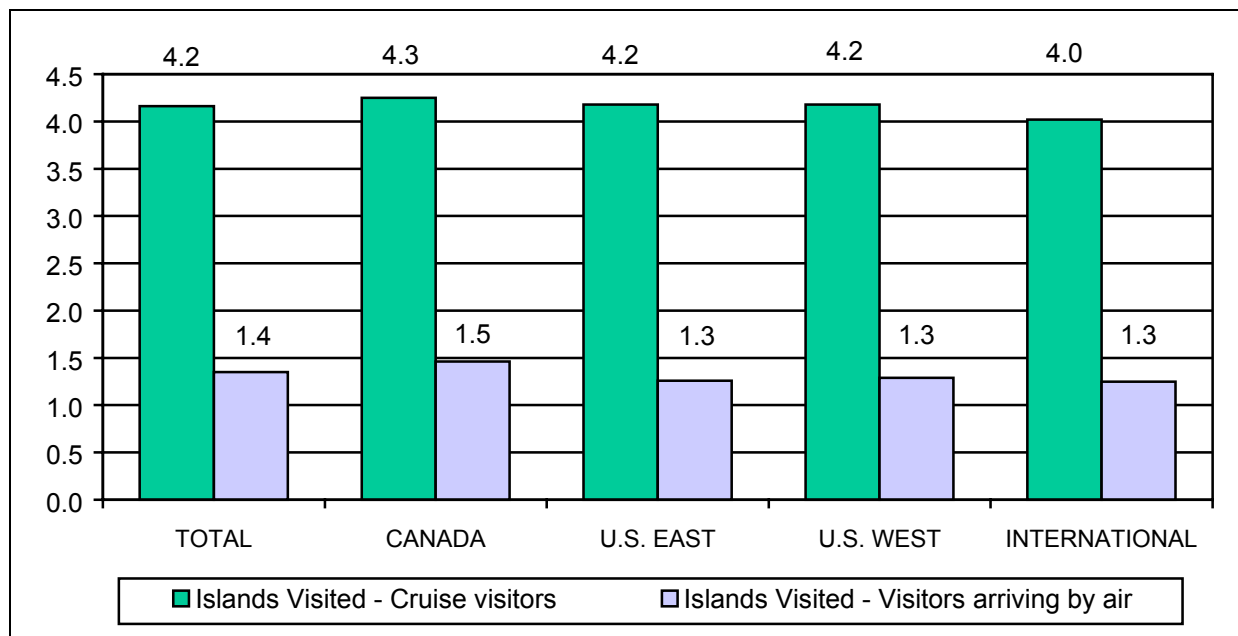
ISLANDS VISITED

Nearly all cruise passengers surveyed in October and November of 2000 visited many islands. Table 1 shows that more than 97 percent visited more than one island, and some visited more than one port per island.

Table 2: Ports Visited

	TOTAL	CANADA	U.S. EAST	U.S. WEST	INTERNATIONAL
Oahu	91.8%	92.6%	91.6%	93.9%	87.0%
Kauai	91.0%	92.6%	91.0%	91.0%	88.9%
Maui	96.0%	97.9%	96.2%	96.8%	90.7%
Lahaina	87.6%	93.7%	87.1%	87.5%	87.0%
Kahului	50.9%	47.4%	52.4%	49.4%	46.3%
Big Island	96.0%	98.9%	96.2%	95.8%	92.6%
Kona	92.1%	96.8%	92.4%	91.7%	87.0%
Hilo	93.1%	96.8%	93.2%	92.9%	89.8%
Visited only one island	1.7%	1.1%	1.3%	2.6%	3.7%
Visited more than one island	97.4%	98.9%	97.7%	97.1%	94.4%

Figure 10: Ports and Islands Visited



As expected, cruise passengers visit many more islands than passengers who arrived by air. And the pattern holds true for all visitor types shown in Figure 10. The average cruise visitor calls at more than four ports during their stay in Hawai'i. The typical non-cruise Hawai'i visitor visits only 1.4 islands during their stay in Hawai'i.

The Hawai'i Visitor Industry has worked toward a broader distribution of visitors for many years. The cruise industry data suggests that cruises support that objective. More cruise passengers than airline passengers visit Oahu's neighbor islands, and cruise passengers visit more islands per trip.

PURPOSE OF TRIP

Most cruise visitors come to Hawai'i for a vacation (89.8%). Vacationing is the purpose of their trip for nearly 9 out of every 10 cruise visitors no matter from which region they come. Four out of every ten visitors may be honeymooners (4.0%), the exception being U.S. West visitors. Only 2.2 percent of them were honeymooners. U.S. West cruise passengers were more likely to combine their cruise with a visit to friends or relatives living in Hawai'i (11.5%).

Table 3: Purpose of Trip

	TOTAL	CANADA	U.S. EAST	U.S. WEST	INTER-NATIONAL
Vacation only	89.8%	90.5%	91.0%	85.6%	91.7%
Visit friends or relatives	6.2%	4.2%	4.8%	11.5%	3.7%
Honeymoon or wedding	4.0%	5.3%	4.3%	2.2%	5.6%
Meetings, conventions, incentives	0.8%	1.1%	0.7%	1.0%	0.9%
Other business	0.7%	1.1%	0.5%	1.3%	0.9%
Net Vacation	93.8%	95.8%	95.3%	87.8%	97.2%

Columns may sum to more than 100% due to multiple responses. "Vacation only" includes those who checked "vacation" and no other trip purpose. "Net vacation" includes persons who checked "vacation" and other purposes. Source: DBEDT-READ website <www.state.hi.us/dbedt/monthly>

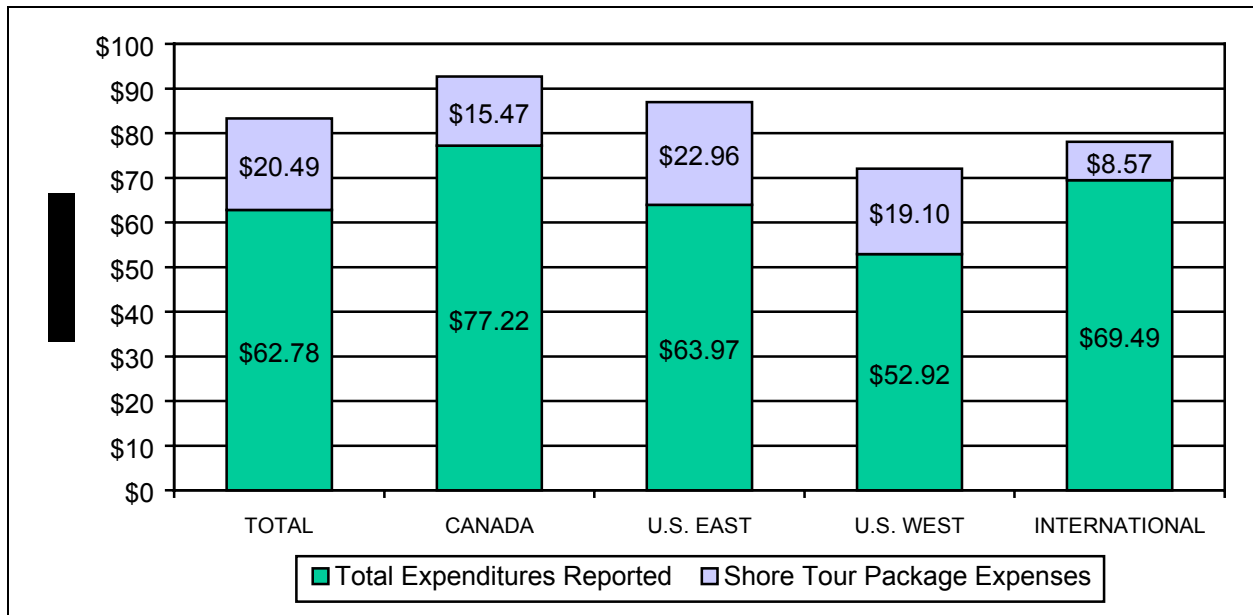
The vacationing was not as prevalent among visitors arriving by air. Only about 66 percent of them came solely for vacation and 79 percent combined other trip purposes with a vacation³. Many more airline passengers than cruise passengers were in Hawai'i for a honeymoon or wedding (13.4% of airline passengers² vs. 4.0% of cruise passengers), for a meeting or convention (10.0%² vs. 0.8%) or for other business (3.7% vs. 0.7%). Unexpectedly, our October-November cruise visitors were slightly more likely to have come to Hawai'i at least in part to visit friends or relatives (6.2%² vs. 5.6%). About one percent² of visitors arriving by air had come to Hawai'i for military or government service, or to go to school. Our survey of cruise passengers found no one traveling to Hawai'i for these purposes.

³ DBEDT-READ Preliminary Monthly Tables, 2000.

VISITOR EXPENDITURES

In October and November 2000, the average cruise visitor spent approximately \$83 per person per day (PPPD⁴) while in Hawai'i. That amount was made up of about \$20 per person per day for cruise-sponsored shore tours and \$63 per person per day on other on-land expenditures such as restaurants, groceries, entertainment, transportation, shopping, and souvenirs. Even with the limited time they spend on shore (shore tours and pre/post-cruise days), cruise visitors spend substantial amounts in local stores and businesses.

Figure 11: Average Expenditures Per Person Per Day in Hawai'i



Canadian and U.S. East visitors spent slightly more than average at \$93 PPPD and \$87 PPPD, respectively. International visitors spent an average of \$78 PPPD, and U.S. West visitors had the lowest per person per day expenditures at \$72.00.

International and especially Canadian cruise visitors spend even more when we consider their greater length of stay and their greater tendency to visit Hawai'i before or after their cruise time (See Figure 9, p. 10). In general, cruise visitors who spend extra days in Hawai'i had average per person per day expenditures of about \$92, compared with \$77 for those who spent all of their nights aboard the cruise ship.

⁴ Per person per day expenditures are calculated by dividing total visitor party expenditures by the party size and the number of days the party spend in Hawaii. PPPD expenditures can therefore be compared across groups of visitors with very different party sizes and lengths of stay. In this study we used PPPD expenditures to ensure that cruise visitor expenditures would be comparable to those for visitors arriving by air. Note also that visitor expenditures are not based on the total sample size of 1,854. Typical of expenditure surveys, many respondents do not provide sufficient information on expenditures and must be eliminated from analyses. In this study, expenditures are based on 1,087 cases with complete expenditure data.

Table 4 provides greater detail on the expenditures of cruise visitors for the four major marketing areas covered in this survey. Canadian visitors' larger expenditures were due primarily to greater expenditures for lodging and food. Visitors from the U.S. East region spent more than other visitors on entertainment and recreation (especially the purchase of cruise-sponsored shore packages) and shopping of all kinds.

Table 4: Per Person Per Day Cruise Passenger Expenditure Details by MMA

	TOTAL	CANADA	U.S. EAST	U.S. WEST	INTER-NATIONAL
All Food in Hawai'i	\$ 7.55	\$11.17	\$7.94	\$ 5.24	\$ 11.08
Restaurant food	3.65	4.96	3.45	3.56	4.10
Dinner shows and cruises	.92	2.55	1.04	.22	.78
Groceries and snacks	.98	2.56	1.00	.60	.58
Other food expenditures	1.99	1.11	2.44	.85	5.62
Entertainment & Recreation	\$ 23.67	\$ 22.99	\$ 26.75	\$ 20.53	\$ 10.99
Ground tours & shore paks	20.49	15.47	22.96	19.61	8.57
Other entertainment	3.18	7.52	3.79	.92	2.42
Transportation Expenditures	\$6.25	\$ 5.91	\$ 6.59	\$ 5.99	\$ 2.77
Interisland airfare	.69	.39	.80	.53	.77
Ground transportation	.91	1.45	.94	.74	.82
Rental vehicles	2.05	2.16	2.07	1.98	1.19
Other transportation	2.60	1.91	2.79	2.74	.40
Total Shopping Expenditures	\$ 25.27	\$ 19.78	\$ 26.42	\$ 24.98	\$ 20.95
Fashion and clothing	6.45	3.70	6.58	7.25	4.06
Jewelry and watches	5.25	3.32	6.44	2.92	8.50
Cosmetics and perfume	.43	.46	.042	.50	.16
Leather goods	.09	.06	.011	.07	.01
Hawai'i food products	3.30	2.17	1.00	6.60	.86
Souvenirs	6.16	5.19	7.20	4.39	5.93
Other shopping	3.58	6.06	3.50	3.24	1.43
Lodging	\$11.94	\$ 23.79	\$ 10.47	\$ 9.72	\$ 21.34
Miscellaneous Expenditures	\$ 8.62	\$ 9.04	\$ 8.75	\$ 6.07	\$ 10.54
Total PPPD Expenditures	\$ 83.28	\$ 92.68	\$ 86.92	\$ 72.53	\$ 78.07

Figures are average per person per day expenditures for all visitors in each column, including those with zero expenditure for categories. Data are not weighted.

Like Canadian cruise passengers, other international passengers had relatively high expenditures for lodging and food. They also had the highest expenditure for miscellaneous items that were not itemized in the survey. Visitors from the U.S. West region had the lowest total spending rates. Their pattern of expenditure was similar to visitors from U.S. East, with higher spending on entertainment and shopping.

Overall visitor expenditures for the year 2000 were not available at the time this report was published. In an effort to provide a usable comparison between expenditures by cruise visitors and those for visitors arriving by air, we chose to compare the October-November 2000 cruise

passenger expenditures with those for airline passengers for the whole of 1999. We included only the U.S. visitors in the comparison shown below, thus avoiding comparisons involving different currency exchange rates and relatively small sample sizes for some international cruise points of origin.

The comparison calls for several caveats. The two sets of PPPD expenditures were based on different time periods (October-November 2000 versus all of 1999). Data were taken from surveys using different methods (self-administered survey for cruise passenger and a diary used for domestic expenditures). The two samples differ widely in terms of geography, first-time versus repeat visitors, age of party heads, purpose of trip, length of stay, and party size.

Table 5: Per Person Per Day Expenditures: 2000 Cruise Passengers Compared with 1999 Air Passengers

	Cruise Ship Survey, 2000		*Domestic Visitor Expenditure Survey, 1999	
	U.S. EAST	U.S. WEST	U.S. EAST	U.S. WEST
All Food in Hawai'i	\$7.94	\$ 5.24	\$ 36.40	\$ 32.30
Restaurant food	3.45	3.56	22.80	19.90
Dinner shows and cruises	1.04	.22	7.40	6.00
Groceries and snacks	1.00	.60	3.70	4.40
Other food expenditures	2.44	.85	2.50	2.00
Entertainment & Recreation	\$ 26.75	\$ 20.53	\$ 24.30	\$ 20.80
Ground tours & shore paks	22.96	19.61	10.40	10.10
Other entertainment	3.79	.92	13.90	10.70
Transportation Expenditures	\$ 6.59	\$ 5.99	\$ 18.20	\$ 15.40
Interisland airfare	.80	.53	4.60	3.80
Ground transportation	.94	.74	9.20	7.70
Rental vehicles	2.07	1.98	2.50	2.20
Other transportation	2.79	2.74	1.90	1.70
Total Shopping Expenditures	\$ 26.42	\$ 24.98	\$ 28.70	\$ 22.50
Fashion and clothing	6.58	7.25	11.70	8.70
Jewelry and watches	6.44	2.92	6.20	4.80
Cosmetics and perfume	.42	.50	.30	.20
Leather goods	.11	.07	.50	.20
Hawai'i food products	2.17	6.60	2.00	1.80
Souvenirs	7.20	4.39	6.40	5.20
Other shopping	3.50	3.24	1.60	1.60
Lodging	\$ 10.47	\$ 9.72	\$ 66.10	\$ 46.60
Miscellaneous Expenditures	\$ 8.75	\$ 6.07	\$ 3.10	\$ 2.20
Total PPPD Expenditures	\$ 86.92	\$ 72.53	\$176.80	\$ 139.80

Figures are average per person per day expenditures for all visitors in each column, including those with zero expenditure for categories. Data are not weighted.

*Source: DBEDT-READ website <www.state.hi.us/dbedt/monthly>

Using this rough comparison, per person per day expenditures for domestic visitors arriving by air were about double those of cruise visitors. The average U.S. visitor arriving on a cruise ship

in October-November of 2000 spent just under \$80 per person per day in Hawai'i. The average visitor arriving by air in 1999 spent over \$160 per person per day. The ratio of expenditures for U.S. East and U.S. West visitors was similar for both groups. Visitor expenditures for the U.S. East region were higher than those for visitors from the U.S. West region in both surveys.

Expenditures for food and lodging were notably higher for airline passengers in both regions. Cruise ship passengers have a place to stay and many meals are pre-paid. Expenses shown for cruise passengers in Table 5 are divided by the total length of stay and offer a reasonable comparison of food and lodging expenses over the course of the trip.

Transportation expenditures were also higher for visitors arriving by air than for cruise ship passengers. The largest differences were for interisland airfares (the cruise ship visits most islands in the State), and ground transportation, which usually includes transportation to and from airports and some sightseeing tours. Ground transportation costs incurred for transport from arrival points to hotels may be similar for both groups, but fewer cruise visitors stay in local hotels.

The two groups had comparable expenditures for entertainment and shopping. Regardless of the way visitors arrive in Hawai'i they are equally anxious to see the sights, visit attractions, and take in shows. Shopping expenditures were about the same for both groups and cruise passengers appear to have spent even more on Hawai'i food products and souvenirs. Visitors arriving by air spent a bit more in the fashion and clothing category.

Cruise ship passengers had higher expenditures for miscellaneous expenditures, and other transportation. In both cases, the finding is likely to be an artifact of the data collection procedure. The expenditure diary used for airline passengers lists more expenditure categories than the cruise ship expenditure survey. Expenditures in the missing categories naturally appear in the miscellaneous or "other expenditures" categories on the cruise survey.

CONCLUSION

The findings of this survey indicate that the cruise industry supports many objectives of Hawai'i's tourism plan. Cruise passengers tend to be disproportionately non-U.S. West visitors, first-timers, and multi-island visitors. While cruise visitors produce less revenue on a per person per day basis, they contribute substantially to Hawai'i's economy. The average cruise visitor will spend more than \$83 per person per day at local businesses. And that revenue will be distributed more evenly across the islands than is the case for visitors arriving by air.

This first survey of Hawai'i cruise visitors' value to the visitor industry was not designed to exhaust the topic. Like most initial efforts, it probably produced as many questions as it answered. In part that was intended. The October-November survey was designed to be a benchmark and pilot test for DBEDT's comprehensive measurement of cruise visitor characteristics and expenditures beginning in 2001. The survey nevertheless provided a reasonably large sample of 1,854 cruise visitor parties describing their characteristics and behaviors. From those data, much useful information has been gleaned. And some interesting questions are left for next year.

Does the cruise industry bring new visitors to Hawai'i? The evidence strongly suggests it does. Cruise passengers include nearly 30 percent more first time visitors than among airline passengers and more than twice as many visitors from the U.S. East region. But it will be useful in future research to find out how many of the first time visitors would not have come were it not for the cruise aspect of their vacation.

Does the cruise industry encourage repeat visits to Hawai'i? Certainly the majority of cruise visitors were first-timers, and the repeat visitors among them had fewer prior trips than was true for visitors arriving by air. But over a year's time, we could be talking about as many as 20,000 to 25,000 visitors a year who choose to make one of their repeat visits aboard a cruise ship. It will be useful in future research to determine whether cruises increase the probability of a return trip to Hawai'i for some people.

Does the cruise bring people to Hawai'i who would not have come here by other means? Again, there is some evidence that this is the case. A cruise offers a very different experience than air travel and the survey shows that cruise visitors to Hawai'i have very different characteristics than those who arrive by air. Further research should tighten up the inquiry by identifying cruise passengers who would not have traveled to Hawai'i had a cruise not been available.

Do cruise visitors spend less than other visitors? The comparison of expenditures presented in the last section of this report is approximate. Nevertheless, the very large differences in per person per day expenditures suggest that cruise passengers spend less in Hawai'i than visitors who arrive by air. It is possible that a more comprehensive study in 2001 will reduce the difference or identify subgroups with greater and lesser expenditures. Even in the current study, however, we cannot ignore the substantial contribution of cruise passengers to the retail and attractions segments of the visitor industry. To those businesses, a cruise passenger represents the same revenue as a visitor arriving by air.

Do cruise visitors wholly ignore Hawai'i food and accommodations in favor of shipboard experiences? Obviously they do not. Almost half of the October-November cruise passengers spent time in Hawai'i in addition to their cruise days. Most stayed in Hawai'i hotels and ate in Hawai'i restaurants. There is little doubt that total expenditures for lodging and for food and beverages were much lower for cruise than for air passengers. But additional days in Hawai'i hotels add to total revenues and to occupancy rates during the year.

In the end, a strong mainland economy, increased interest in travel, and the increased airlift and package options becoming available, will provide strong growth potential for cruise industry operations in Hawai'i. That will mean increased travel options for potential visitors. With strong marketing efforts, increased options will lead to increases in visitor arrivals. And the cruise ship industry appears to bring more of the kinds of visitors targeted by HTA and the visitor industry.

APPENDIX A: SURVEY INSTRUMENT

Aloha. On behalf of the State of Hawai'i, thank you for visiting. Please take a few moments to complete the questions. This information helps us insure the quality of your Hawai'i experience remains the best it can be. Please mark (X) each box or print ... 1 2 clearly. Your answers are strictly confidential and are tabulated for statistical purposes only. We greatly appreciate your assistance. **Mahalo!**

1. The total number of people (including myself) covered by this form is:
(Fill out one form per party/family)

--	--

 persons

2. I am a:
Visitor to Hawai'i.....☐
Resident of Hawai'i☐

3. Altogether I was in Hawai'i for:

Number of nights TOTAL in Hawai'i	Number of nights during my cruise				
<table border="1"><tr><td></td><td></td></tr></table>			<table border="1"><tr><td></td><td></td></tr></table>		
Number of nights before joining my cruise	Number of nights after leaving my cruise				
<table border="1"><tr><td></td><td></td></tr></table>			<table border="1"><tr><td></td><td></td></tr></table>		

4. This trip to Hawai'i is my:

--	--

 time to Hawaii
(01=1st, 02=2nd, etc...)

5. Please mark (X) all ports your cruise visited:

	Port of Call	Number of Nights Stayed	
Honolulu (O'ahu)	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Lahaina (Maui)	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Kahului (Maui)	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Kona - Big Island of Hawai'i	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Hilo - Big Island of Hawai'i	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Nawiliwili (Kaua'i)	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>

6. Did you do any of the following on this trip to Hawai'i?

- Go on honeymoon, get married☐
Attend a wedding☐
Attend a Convention/Conference☐
Conduct some business.....☐
Visit friends or relatives☐
Play golf☐

7. What is your age:

--	--

 years old

8. What is your gender?

- Male☐ Female☐

9. I am a resident of:

- U.S.A.....☐ [specify zip code]

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- Canada.....☐ United Kingdom . ☐
Japan☐ Germany☐
Korea.....☐ France.....☐
Taiwan.....☐ Switzerland☐
Hong Kong ...☐ Australia.....☐
Other (specify).....☐

10. Of the people covered by this form (including yourself), how many were:

	Number of Males		Number of Females	
Under 10 years	<div></div>	<div></div>	<div></div>	<div></div>
10 – 19	<div></div>	<div></div>	<div></div>	<div></div>
20 – 29	<div></div>	<div></div>	<div></div>	<div></div>
30 – 39	<div></div>	<div></div>	<div></div>	<div></div>
40 – 49	<div></div>	<div></div>	<div></div>	<div></div>
50 – 59	<div></div>	<div></div>	<div></div>	<div></div>
60 or more yrs.	<div></div>	<div></div>	<div></div>	<div></div>
TOTAL	<div></div>	<div></div>	<div></div>	<div></div>

11. Where did you stay while in Hawai'i?
(Check all that apply)

- Hotel.....☐
Condominium.....☐
Timeshare Unit.....☐
Bed & Breakfast.....☐
Friends or Relatives.....☐
Other [please specify]:☐

12. How much did you pay for your cruise package?

US\$

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- 12a. What did your package include?
(Check all that apply)

- Cruise☐
Airfare (to or from Hawai'i).....☐
Airfare (Inter island).....☐
Non-cruise lodging☐
Rental car☐
Meals on ship☐
Meals on shore.....☐

- 12b. Name of the package:

- 12c. Other package details:

Number of nights covered:	Number of people covered by (\$) amount:				
<table border="1"><tr><td></td><td></td></tr></table>			<table border="1"><tr><td></td><td></td></tr></table>		

13. While you were on your cruise, did you purchase any shore tours?

- Yes☐
(if YES, continue to Question 14)
No☐
(if NO, skip to Question 15)

CONTINUE ON OTHER SIDE →

14. Please indicate the cost and the number of persons who participated on each shore tour.

Port of Call	Cost	No. Persons
Honolulu (O`ahu)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
Lahaina (Maui)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
Kahului (Maui)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
Kona side (Big Island)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
Hilo side (Big Island)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
Nawiliwili (Kauai)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
TOTAL ALL TOURS	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

CABIN

YOUR NAME: _____

CRUISE SHIP: _____

DEPARTING HAWAI'I

Name of Airline: _____

Flight No.: _____

Date: _____

ARRIVAL IN HAWAI'I

Name of Airline: _____

Flight No.: _____

Date: _____

FOR ALL PARTS OF QUESTION 15:

Do not include expenses entered in Question 12 and Question 14.

If you are continuing your stay in Hawai'i after you leave the cruise, please estimate your expenses for your total time in Hawai'i.

15. How much did you and your party spend in total while you were in Hawai'i?

US\$

Of this total amount, how much was spent for:

	Cost
15a. Airfare (round trip to and from Hawai'i)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
15b. Lodging (total bill of hotel, condo, B&B, etc...)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
15c. Total Food and Beverage	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• In restaurants and other eating places	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• Dinner shows/cruises	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• Groceries/snacks	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
15d. Entertainment & recreation	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
15e. Total transportation	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• Inter-island airfare	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• Ground transportation (buses, taxis, trolleys)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

	Cost
• Rental car/moped	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• Other transportation costs (gas, parking)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
15f. Total shopping	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• Fashion and clothing	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• Jewelry/watch	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• Cosmetics/perfumes	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• Leather goods (belts, wallets, handbags, etc...)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• Hawaii food products (fruits, nuts, coffee)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
• Souvenirs	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
15g. All other spending (please specify below)	US\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

APPENDIX B: SURVEY METHOD

The data collection and analysis method for the North West CruiseShip Association (NWCA) Cruise Passenger Survey 2000 was developed by SMS, Inc., in consultation with and under the review of The Hawai'i Department of Business, Economic Development & Tourism – Research and Economic Analysis Division (DBEDT-READ), Research and Economic Analysis Division (DBEDT-READ). Data for the research were collected from October 9 through November 28, 2000. 1,854 surveys among cruise passengers were completed during that period.

Instrument

A copy of the survey instrument is attached as appendix A. It was patterned after the Department of Business, Economic Development and Tourism's International Departure Survey form. The initial draft was prepared by SMS, Inc., and submitted for review and approval by NWCA and DBED-READ. Changes were made by SMS and the document was printed in sufficient quantity to complete the October-November survey.

Sample

There were a total of nearly seven million visitors arriving in Hawai'i in the year 2000. Of those, 38,642 (0.6%) arrived in Hawai'i aboard international cruise ships. In October and November of that year, about 12,555 visitors in Hawai'i arrived on international cruise ships. See Table M-1.

Table M-6: Visitors Arrivals in Hawai'i, 2000

	Arrival Months		
	October- November	Other Months	Total Arrivals
Total visitor arrivals, 2000	1,105,209	5,909,299	7,014,508
International cruise arrivals	12,555	26,087	38,642
*Others (airline passengers)	1,092,654	5,883,212	6,975,866

* Source: DBEDT-READ: <http://www.state.hi.us/dbedt/monthly/index.html>

The sampling frame consisted of a list of all cruises arriving in or departing from Hawaiian waters between October 9 and November 28, 2000. During the months of October and November, a total of 13 cruises either entered or left Hawaiian waters. The total capacity of those cruises was estimated to be 20,676 passengers – 10,338 berths coming in and 10,388 berths going out. Since cruise passengers sometimes enter Hawai'i aboard ship and leave Hawai'i by air, and because cruises leaving Hawai'i contain both passengers who sailed to Hawai'i and those who began their cruises in Hawai'i, it was necessary to include both in the sample for this study.

Of the 13 cruises in Hawaiian waters in October and November of 2000, eleven were cruises of NWCA affiliates. Of those eleven, nine were operating within the sample period. Those cruises were aboard ships having between 633 and 1,000 cabins. Of the nine cruises selected for the

survey, three did not provide any data for passengers. The six remaining cruises became the sample for this study.

The six sampled cruises had an estimated 5,108 cabins that allowed for a total of 10,216 passengers in and out of Hawaiian waters. We estimate that slightly over 96 percent of those were full, accounting for a total of approximately 9,862 cruise passengers. Our survey collected 1,854 completed survey forms representing 3,585 individual passengers. The completion rate can therefore be expressed as 36.3 percent of all cruise parties (cabins), or 36.4% of all cruise passengers.

Data Collection

SMS staff prepared packages of survey forms sufficient to supply one form to each occupied cabin. SMS delivered packages to ships whose first port of call was Honolulu Harbor and to those departing the state from Honolulu. A ship's agent delivered forms to the Chief Purser on arrival at a Hawai'i ports other than Honolulu Harbor.

One survey form was distributed to each occupied cabin on targeted cruise ships with instruction to complete one form per travel party. Guests were instructed to complete only one form per travel party (family/couple).

Crew members collected forms on the last evening or morning in Hawai'i. Most forms were deposited in a box in the lobby designated for this purpose. Guests were informed of an incentive program to increase response rates. On the morning before guests disembarked, crew members announced the names of three prize winners drawn from the submitted forms. Winners received items such as logo items, a bottle of wine, etc.

Completed forms were picked up by SMS in Honolulu or were handed over to the ship's agent prior to departure at the last port of call. These were processed according to procedures identical to those use for airline passengers. Exactly 1,854 usable survey forms were collected during the course of the study.

Data Processing & Analysis

Complete forms were received and logged at the SMS Honolulu office. Forms were scanned into machine-readable files using an optical character reader-scanner. The data files were then edited for completeness, multiple responses, proper observance of contingencies, and out-of-range codes.

The analysis method was designed to produce data comparable to visitor industry data released by DBEDT-READ. As much as possible, official DBEDT-READ editing, coding and processing routines were used to analyze the cruise passenger data.